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# HOUSE BILL No. 1598

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 4-12-8-2; IC 4-31; IC 4-32-15-1; IC 4-33; IC 6-3-4-8.2; IC 6-8.1-1-1; IC 35-45-5-7; IC 35-45-5-11.

**Synopsis:** Pull tabs. Authorizes the sale of pari-mutuel pull tabs at race tracks and satellite facilities. Imposes a wagering tax of 32.5% on a permit holder's first \$150,000,000 of adjusted gross receipts and 37.5% on adjusted gross receipts exceeding \$150,000,000. Distributes pull tab wagering tax revenue in various amounts to the following: the city of Anderson, Madison County, Madison County schools, the other cities and towns of Madison County, Shelby County, the city of Indianapolis, the Marion County housing trust fund, Marion County, Marion County schools, the various horsemen's associations, the Indiana horse racing commission, and the state general fund. Imposes a breed development fee and a supplemental fee. Establishes the minority and women business participation fund consisting of fees and civil penalties imposed upon riverboats and pull tab operators.

**Effective:** July 1, 2003.

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## Reske, Stine, Summers

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January 16, 2003, read first time and referred to Committee on Public Policy, Ethics and Veterans Affairs.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

## HOUSE BILL No. 1598

A BILL FOR AN ACT to amend the Indiana Code concerning gaming.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 4-12-8-2, AS AMENDED BY P.L.107-2002,  
2       SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3       JULY 1, 2003]: Sec. 2. (a) The Indiana prescription drug account is  
4       established within the Indiana tobacco master settlement agreement  
5       fund for the purpose of providing access to needed prescription drugs  
6       to ensure the health and welfare of Indiana's low-income senior  
7       citizens. The account consists of:

8           (1) amounts to be distributed to the account from the Indiana  
9           tobacco master settlement agreement fund;

10          (2) **amounts distributed to the account from the state pull tab**  
11          **wagering fund established by IC 4-31-7.6-7;**

12          (3) appropriations to the account from other sources;

13          (4) rebates:

14           (A) required under 42 U.S.C. 1396r-8(a) for a Medicaid  
15           waiver under which a prescription drug program is established  
16           or implemented; or

17           (B) voluntarily negotiated under a prescription drug program



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that is established or implemented;  
 to provide access to prescription drugs for low income senior  
 citizens; and  
~~(4)~~ **(5)** grants, gifts, and donations intended for deposit in the  
 account.

(b) The account shall be administered by the budget agency.  
 Expenses for administration and benefits under the Indiana prescription  
 drug program established under IC 12-10-16 shall be paid from the  
 account. Money in the account at the end of the state fiscal year does  
 not revert to the state general fund or the Indiana tobacco master  
 settlement agreement fund but is annually appropriated and remains  
 available for expenditure for a prescription drug program established  
 or implemented to provide access to prescription drugs for low income  
 senior citizens.

(c) Money in the account may be used to match federal funds  
 available under a Medicaid waiver under which a prescription drug  
 program is established or implemented to provide access to  
 prescription drugs for low income senior citizens.

SECTION 2. IC 4-31-1-2 IS AMENDED TO READ AS FOLLOWS  
 [EFFECTIVE JULY 1, 2003]: Sec. 2. The ~~purpose~~ **purposes** of this  
 article ~~is~~ **are** to:

- (1) permit pari-mutuel wagering on horse races in Indiana; and to**
- (2) permit the sale of pari-mutuel pull tabs at racetracks and  
 satellite facilities in Indiana;**
- (3) ensure that the sale of pari-mutuel pull tabs and pari-mutuel  
 wagering on horse races in Indiana will be conducted with the  
 highest of standards and the greatest level of integrity; and**
- (4) maximize and preserve state revenues generated from the  
 various forms of permitted gaming and wagering by ensuring  
 that the various forms of permitted gaming and wagering  
 occur in different geographic regions of the state.**

SECTION 3. IC 4-31-2-11.5 IS ADDED TO THE INDIANA CODE  
 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 1, 2003]: Sec. 11.5. "Pari-mutuel pull tab" means a game offered to  
 the public in which a person who purchases a ticket or simulated  
 ticket has the opportunity to share in a prize pool, multiple prize  
 pools, or a shared prize pool consisting of the total amount  
 wagered in the game minus deductions by the permit holder selling  
 the pari-mutuel pull tab and other deductions either permitted or  
 required by law.

SECTION 4. IC 4-31-4-1.3 IS AMENDED TO READ AS  
 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1.3. (a) This section

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does not apply to a person who satisfies all of the following:

- (1) The person was issued a satellite facility license before January 2, 1996.
- (2) The person operated a satellite facility before January 2, 1996.
- (3) The person is currently operating the satellite facility under the license.

(b) A person may not operate under a satellite facility license unless both of the following apply:

- (1) The county fiscal body of the county in which the satellite facility will be operated has adopted an ordinance under section 2.5 of this chapter.
- (2) The person secures a license under IC 4-31-5.5.

**(c) Notwithstanding any other provision of this article, subsection (b)(1) does not apply to a permit holder that:**

- (1) was issued a permit before January 1, 2002; and**
- (2) files an application to operate a satellite facility in a county having a consolidated city.**

SECTION 5. IC 4-31-4-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. (a) A county fiscal body may adopt an ordinance permitting the filing of applications under IC 4-31-5 to conduct pari-mutuel wagering on horse races at racetracks in the county. However, before adopting the ordinance, the county fiscal body must:

- (1) conduct a public hearing on the proposed ordinance; and
- (2) publish notice of the public hearing in the manner prescribed by IC 5-3-1.

(b) The county fiscal body may:

- (1) require in the ordinance adopted by the county fiscal body that before applications under IC 4-31-5 to conduct pari-mutuel wagering on horse races at racetracks in the county may be filed, the voters of the county must approve the conducting of horse racing meetings in the county under section 3 of this chapter; or
- (2) amend an ordinance already adopted by the county fiscal body to require that before applications under IC 4-31-5 to conduct pari-mutuel wagering on horse races at racetracks in the county may be filed, the voters of the county must approve the conducting of horse racing meetings in the county under section 3 of this chapter.

An ordinance adopted under this section may not be amended to apply to a person who has already been issued a permit under IC 4-31-5 before amendment of the ordinance.

**(c) An ordinance adopted under this section authorizing a**

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person to conduct pari-mutuel wagering on horse races at racetracks in the county may not be adopted or amended with the intent to restrict a permit holder's ability to sell pari-mutuel pull tabs under IC 4-31-7.5. An ordinance adopted by the county fiscal body permitting the sale of pari-mutuel pull tabs is not a requirement for the lawful sale of pari-mutuel pull tabs under IC 4-31-7.5.

SECTION 6. IC 4-31-4-2.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2.5. (a) A county fiscal body may adopt an ordinance permitting the filing of applications under IC 4-31-5.5 for operation of a satellite facility in the county. However, before adopting the ordinance, the county fiscal body must:

- (1) conduct a public hearing on the proposed ordinance; and
- (2) publish notice of the public hearing in the manner prescribed by IC 5-3-1.

(b) The county fiscal body may:

- (1) require in the ordinance adopted by the county fiscal body that before applications under IC 4-31-5.5 to operate a satellite facility in the county may be filed, the voters of the county must approve the operation of a satellite facility in the county under section 3 of this chapter; or
- (2) amend an ordinance already adopted in the county to require that before applications under IC 4-31-5.5 to operate a satellite facility in the county may be filed, the voters of the county must approve the operation of a satellite facility in the county under section 3 of this chapter.

An ordinance adopted under this section may not be amended to apply to a person who was issued a license under IC 4-31-5.5 before the ordinance was amended.

**(c) Notwithstanding any other provision of this article, this section does not apply to a permit holder that:**

- (1) was issued a permit before January 1, 2002; and**
- (2) files an application to operate a satellite facility in a county having a consolidated city.**

SECTION 7. IC 4-31-4-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. (a) This section does not apply to either of the following:

- (1) A permit holder who satisfies all of the following:
  - (A) The permit holder was issued a permit before January 2, 1996.
  - (B) The permit holder conducted live racing before January 2, 1996.

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- 1 (C) The permit holder is currently operating under the permit.  
 2 (2) A person who satisfies all of the following:  
 3 (A) The person was issued a satellite facility license before  
 4 January 2, 1996.  
 5 (B) The person operated a satellite facility before January 2,  
 6 1996.  
 7 (C) The person is currently operating the satellite facility  
 8 under the license.  
 9 (b) This section applies if either of the following apply:  
 10 (1) Both of the following are satisfied:  
 11 (A) An ordinance is adopted under section 2 or 2.5 of this  
 12 chapter.  
 13 (B) The ordinance requires the voters of the county to approve  
 14 either of the following:  
 15 (i) The conducting of horse racing meetings in the county.  
 16 (ii) The operation of a satellite facility in the county.  
 17 (2) A local public question is required to be held under section  
 18 2.7 of this chapter following the filing of a petition with the  
 19 circuit court clerk:  
 20 (A) signed by at least the number of registered voters of the  
 21 county required under IC 3-8-6-3 to place a candidate on the  
 22 ballot; and  
 23 (B) requesting that the local public question set forth in  
 24 subsection (d) be placed on the ballot.  
 25 (c) Notwithstanding any other provision of this article, the  
 26 commission may not issue a recognized meeting permit under  
 27 IC 4-31-5 to allow the conducting of or the assisting of the conducting  
 28 of a horse racing meeting unless the voters of the county in which the  
 29 property is located have approved conducting recognized meetings in  
 30 the county.  
 31 (d) For a local public question required to be held under subsection  
 32 (c), the county election board shall place the following question on the  
 33 ballot in the county during the next general election:  
 34 "Shall horse racing meetings at which pari-mutuel wagering  
 35 occurs be allowed in \_\_\_\_\_ County?".  
 36 (e) Notwithstanding any other provision of this article, the  
 37 commission may not issue a satellite facility license under IC 4-31-5.5  
 38 to operate a satellite facility unless the voters of the county in which the  
 39 satellite facility will be located approve the operation of the satellite  
 40 facility in the county.  
 41 (f) For a local public question required to be held under subsection  
 42 (e), the county election board shall place the following question on the

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ballot in the county during the next general election:

"Shall satellite facilities at which pari-mutuel wagering occurs be allowed in \_\_\_\_\_ County?"

(g) A public question under this section must be certified in accordance with IC 3-10-9-3 and shall be placed on the ballot in accordance with IC 3-10-9.

(h) The circuit court clerk of a county holding an election under this chapter shall certify the results determined under IC 3-12-4-9 to the commission and the department of state revenue.

(i) If a public question is placed on the ballot under subsection (d) or (f) in a county and the voters of the county do not vote in favor of the public question, a second public question under that subsection may not be held in the county for at least two (2) years. If the voters of the county vote to reject the public question a second time, a third or subsequent public question under that subsection may not be held in the county until the general election held during the tenth year following the year of the previous public question held under that subsection.

**(j) Notwithstanding any other provision of this article, this section does not apply to a permit holder that:**

**(1) was issued a permit before January 1, 2002; and**

**(2) files an application to operate a satellite facility in a county having a consolidated city.**

SECTION 8. IC 4-31-5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. (a) The commission may not issue a recognized meeting permit unless the applicant has filed with the commission:

(1) a financial statement prepared and certified by a certified public accountant in accordance with sound accounting practices, showing the net worth of the applicant;

(2) a statement from the department of state revenue and the treasurer of state that there are no pari-mutuel taxes or other obligations owed by the applicant to the state or any of its departments or agencies;

(3) a statement from the county treasurer of the county in which the applicant proposes to conduct horse racing meetings that there are no real or personal property taxes owed by any of the principals seeking the permit; and

(4) a statement of obligations that are owed or being contested, including salaries, purses, entry fees, laboratory fees, and debts owed to vendors and suppliers.

(b) In addition to the requirements of subsection (a), the commission

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may not issue a recognized meeting permit for a recognized meeting to occur in a county unless IC 4-31-4 has been satisfied.

**(c) In addition to the requirements of subsections (a) and (b), the commission may not issue a recognized meeting permit for a recognized meeting to occur at a location within thirty (30) linear miles of a location for which another permit holder has been issued a recognized meeting permit for a recognized meeting to occur.**

SECTION 9. IC 4-31-5-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 15. **Except as provided in IC 4-31-7.5 or IC 4-31-7.6**, any fees or penalties collected by the commission under IC 4-31-3-9(1)(E) through IC 4-31-3-9(1)(G) shall be paid into the state general fund.

SECTION 10. IC 4-31-5.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. (a) As used in this section, "live racing day" means a day on which at least eight (8) live horse races are conducted.

(b) The commission's authority to issue satellite facility licenses is subject to the following conditions:

(1) The commission may issue four (4) satellite facility licenses to each permit holder that:

(A) conducts at least one hundred twenty (120) live racing days per year at the racetrack designated in the permit holder's permit; and

(B) meets the other requirements of this chapter and the rules adopted under this chapter.

If a permit holder that operates satellite facilities does not meet the required minimum number of live racing days, the permit holder may not operate the permit holder's satellite facilities during the following year. However, the requirement for one hundred twenty (120) live racing days does not apply if the commission determines that the permit holder is prevented from conducting live horse racing as a result of a natural disaster or other event over which the permit holder has no control. In addition, if the initial racing meeting conducted by a permit holder commences at such a time as to make it impractical to conduct one hundred twenty (120) live racing days during the permit holder's first year of operations, the commission may authorize the permit holder to conduct simulcast wagering during the first year of operations with fewer than one hundred twenty (120) live racing days.

(2) Each proposed satellite facility must be covered by a separate application. The timing for filing an initial application for a

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satellite facility license shall be established by the rules of the commission.

(3) A satellite facility must:

(A) have full dining service available;

(B) have multiple screens to enable each patron to view simulcast races; and

(C) be designed to seat comfortably a minimum of four hundred (400) persons.

(4) In determining whether a proposed satellite facility should be approved, the commission shall consider the following:

(A) The purposes and provisions of this chapter.

(B) The public interest.

(C) The impact of the proposed satellite facility on live racing.

(D) The impact of the proposed satellite facility on the local community.

(E) The potential for job creation.

(F) The quality of the physical facilities and the services to be provided at the proposed satellite facility.

(G) Any other factors that the commission considers important or relevant to its decision.

(5) The commission may not issue a license for a satellite facility to be located in a county unless IC 4-31-4 has been satisfied.

**(6) Not more than one (1) license may be issued to each permit holder to operate a satellite facility located in a county having a consolidated city. The maximum number of licenses that the commission may issue for satellite facilities to be located in a county having a consolidated city is two (2) licenses.**

SECTION 11. IC 4-31-5.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. A permit holder or group of permit holders that is authorized to operate satellite facilities may accept and transmit pari-mutuel wagers on horse racing at those facilities and may engage in all activities necessary to establish and operate appropriate satellite wagering facilities, including the following:

(1) Live simulcasts of horse racing conducted at the permit holder's racetrack or at other racetracks. However, a satellite facility operated by a permit holder may not simulcast races conducted in other states on any day that is not a live racing day (as defined in section 3 of this chapter) unless the satellite facility also simulcasts all available races conducted in Indiana on that day.

(2) Construction or leasing of satellite wagering facilities.

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(3) Sale of food and beverages.

(4) Advertising and promotion.

(5) **Sale of pari-mutuel pull tabs authorized under IC 4-31-7.5.**

(6) All other related activities.

SECTION 12. IC 4-31-5.5-7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 7. A zoning ordinance that permits real property to be used as a racetrack for the purpose of conducting live pari-mutuel horse racing must be construed to authorize the permit holder to operate a satellite facility on the real property. An ordinance described in this section may not be amended to prohibit the permit holder from operating a satellite facility on the real property.**

SECTION 13. IC 4-31-7-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. (a) A person holding a permit to conduct a horse racing meeting or a license to operate a satellite facility may provide a place in the racing meeting grounds or enclosure or the satellite facility at which the person may conduct and supervise the pari-mutuel system of wagering by patrons of legal age on the horse races conducted or simulcast by the person. The person may not permit or use:

(1) another place other than that provided and designated by the person; or

(2) another method or system of betting or wagering.

**However, a person holding a permit to conduct a horse racing meeting may permit wagering on pari-mutuel pull tabs at the person's racetrack or satellite facility as permitted by IC 4-31-7.5.**

(b) Except as provided in section 7 of this chapter and IC 4-31-5.5, the pari-mutuel system of wagering may not be conducted on any races except the races at the racetrack, grounds, or enclosure for which the person holds a permit.

SECTION 14. IC 4-31-7-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. (a) A person less than eighteen (18) years of age may not wager at a horse racing meeting.

(b) A person less than ~~seventeen (17)~~ **eighteen (18)** years of age may not enter the grandstand, clubhouse, or similar areas of a racetrack at which wagering is permitted unless accompanied by a person who is at least twenty-one (21) years of age.

(c) A person less than eighteen (18) years of age may not enter a satellite facility.

**(d) A person less than twenty-one (21) years of age may not**

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enter the part of a satellite facility or racetrack in which pari-mutuel pull tabs are sold and redeemed.

SECTION 15. IC 4-31-7.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

**Chapter 7.5. Pari-Mutuel Pull Tabs**

**Sec. 1. (a)** This chapter applies only to the sale of pari-mutuel pull tabs by a person that holds a permit to conduct a pari-mutuel horse racing meeting issued under IC 4-31-5.

**(b)** This chapter does not apply to the sale of pull tabs by a qualified organization (as defined in IC 4-32-6-20) under IC 4-32.

**Sec. 2.** The Indiana gaming commission shall regulate and administer the sale, purchase, and redemption of pari-mutuel pull tab tickets under this chapter.

**Sec. 3. (a)** The Indiana gaming commission shall adopt rules under IC 4-22-2, including emergency rules under IC 4-22-2-37.1, to implement this chapter, including rules that prescribe:

- (1) an approval process for pari-mutuel pull tab games that requires periodic testing of the games and equipment by an independent entity under the oversight of the commission to ensure the integrity of the games to the public;
- (2) a system of internal audit controls;
- (3) a method of payment for pari-mutuel pull tab prizes that allows a player to transfer credits from one (1) terminal or device to another;
- (4) a method of payment for pari-mutuel pull tab prizes that allows a player to redeem a winning ticket for additional play tickets or credit to permit purchase of additional play tickets;
- (5) requirements for a license to sell pari-mutuel pull tabs that a permit holder must obtain from the commission before selling pari-mutuel pull tabs; and
- (6) any other procedure or requirement necessary for the efficient and economical operation of the pari-mutuel pull tab games and the convenience of the public.

**(b)** The Indiana gaming commission may enter into a contract with the Indiana horse racing commission for the provision of services necessary to administer pari-mutuel pull tab games.

**Sec. 4. (a)** The Indiana gaming commission may issue a license to a permit holder to sell pari-mutuel pull tabs under this chapter at the locations described in section 9 of this chapter. To obtain a license under this section, a permit holder must submit an application on a form prescribed by the Indiana gaming

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1 commission.

2 (b) Before issuing a license to a permit holder under this section,  
3 the Indiana gaming commission shall subject the permit holder to  
4 a background investigation similar to a background investigation  
5 required of an applicant for a riverboat owner's license under  
6 IC 4-33-6.

7 (c) An initial pari-mutuel pull tab license expires five (5) years  
8 after the effective date of the license. Unless the pari-mutuel pull  
9 tab license is terminated or revoked, the pari-mutuel pull tab  
10 license may be renewed annually thereafter upon:

11 (1) the payment of an annual renewal fee determined by the  
12 Indiana gaming commission; and

13 (2) a determination by the Indiana gaming commission that  
14 the permit holder satisfies the conditions of this chapter.

15 (d) A permit holder holding a pari-mutuel pull tab license shall  
16 undergo a complete investigation every three (3) years to  
17 determine that the permit holder remains in compliance with this  
18 article.

19 (e) Notwithstanding subsection (d), the Indiana gaming  
20 commission may investigate a permit holder at any time the  
21 commission determines it is necessary to ensure that the permit  
22 holder remains in compliance with this article.

23 (f) The permit holder shall bear the cost of an investigation or  
24 a reinvestigation of the permit holder and any investigation  
25 resulting from a potential transfer of ownership.

26 Sec. 5. The Indiana gaming commission may assess an  
27 administrative fee to a permit holder offering pari-mutuel pull tab  
28 games in an amount that allows the commission to recover all of  
29 the commission's costs of administering the pari-mutuel pull tab  
30 games.

31 Sec. 6. A pari-mutuel pull tab game must be conducted in the  
32 following manner:

33 (1) Each set of tickets must have a predetermined:

34 (A) total purchase price; and

35 (B) amount of prizes.

36 (2) Randomly ordered pari-mutuel pull tab tickets may be  
37 distributed from an approved location or from a distribution  
38 device to:

39 (A) the permit holder at the permit holder's racetrack or  
40 satellite facility, or both; or

41 (B) a terminal or device of the permit holder at the permit  
42 holder's racetrack or satellite facility, or both.



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(3) A pari-mutuel pull tab ticket must be presented to a player in the form of a paper ticket or display on a terminal or device.

(4) Game results must be initially covered or otherwise concealed from view on the pari-mutuel pull tab ticket, terminal, or device so that the number, letter, symbol, or set of numbers, letters, or symbols cannot be seen until the concealing medium is removed.

(5) A winner is identified after the display of the game results when a player removes the concealing medium of the pari-mutuel pull tab ticket or display on a terminal or device.

(6) A winner shall receive the prize or prizes posted or displayed for the game from the permit holder.

Sec. 7. A person less than twenty-one (21) years of age may not purchase a pari-mutuel pull tab ticket.

Sec. 8. The sale price of a pari-mutuel pull tab ticket may not exceed ten dollars (\$10).

Sec. 9. The sale, purchase, and redemption of pari-mutuel pull tab tickets are limited to the following locations:

(1) A live pari-mutuel horse racing facility licensed under this article.

(2) A satellite facility licensed under this article located in a county containing a consolidated city.

Sec. 10. A permit holder may not install more than seven hundred (700) pull tab terminals or devices on the premises of the permit holder's live pari-mutuel horse racing facility or satellite facility.

Sec. 11. The number and amount of the prizes in a pari-mutuel pull tab game must be finite but may not be limited.

Sec. 12. A list of prizes for winning pari-mutuel pull tab tickets must be posted or displayed at a location where the tickets are sold.

Sec. 13. A permit holder may close a pari-mutuel pull tab game at any time.

Sec. 14. A terminal or device selling pari-mutuel pull tab tickets may be operated by a player without the assistance of the permit holder for the sale and redemption of pari-mutuel pull tab tickets.

Sec. 15. A terminal or device selling pari-mutuel pull tab tickets may not dispense coins or currency as prizes for winning tickets. Prizes awarded by a terminal or device must be in the form of credits for additional play or certificates redeemable for cash or prizes.

Sec. 16. All shipments of gambling devices, including

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1 pari-mutuel pull tab machines, to permit holders in Indiana, the  
 2 registering, recording, and labeling of which have been completed  
 3 by the manufacturer or dealer in accordance with 15 U.S.C. 1171  
 4 through 15 U.S.C. 1178, are legal shipments of gambling devices  
 5 into Indiana.

6 Sec. 17. Under 15 U.S.C. 1172, approved January 2, 1951, the  
 7 state of Indiana, acting by and through elected and qualified  
 8 members of the general assembly, declares that the state is exempt  
 9 from 15 U.S.C. 1172.

10 Sec. 18. (a) This section applies if a permit holder's employees  
 11 are covered under the terms of a collective bargaining agreement  
 12 that is in effect at the time the permit holder is licensed to offer  
 13 pari-mutuel pull tab wagering under this chapter.

14 (b) If a permit holder has nonsupervisory employees whose  
 15 work is:

16 (1) directly related to:

17 (A) pari-mutuel terminal operations; or

18 (B) money room functions associated with pari-mutuel  
 19 wagering; and

20 (2) covered under the terms of a collective bargaining  
 21 agreement;

22 the permit holder shall, subject to subsection (c), staff  
 23 nonsupervisory positions directly related to the operation of  
 24 pari-mutuel pull tab wagering under this chapter with employees  
 25 described in subsection (c).

26 (c) The employees described in subsection (b) must be qualified  
 27 to meet the licensing requirements of this chapter and any criteria  
 28 required by the gaming commission in rules adopted under  
 29 IC 4-22-2.

30 Sec. 19. The job classifications, job duties, wage rates, and  
 31 benefits of nonsupervisory positions related to pari-mutuel pull tab  
 32 wagering may be established by agreement of the parties to a  
 33 collective bargaining agreement, or in the absence of an agreement,  
 34 by the permit holder.

35 SECTION 16. IC 4-31-7.6 IS ADDED TO THE INDIANA CODE  
 36 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
 37 JULY 1, 2003]:

38 **Chapter 7.6. Taxation of Pari-Mutuel Pull Tabs and Fees**

39 Sec. 1. (a) This chapter applies only to the lawful sale of  
 40 pari-mutuel pull tabs by a person that:

41 (1) holds a permit to conduct a pari-mutuel horse racing  
 42 meeting issued under IC 4-31-5; and

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(2) is authorized to sell pari-mutuel pull tabs under IC 4-31-7.5.

(b) This chapter does not apply to the sale of pull tabs by a qualified organization (as defined in IC 4-32-6-20) under IC 4-32.

Sec. 2. As used in this chapter, "adjusted gross receipts" means:

(1) the total of all cash and property (including checks received by a permit holder, whether collected or not) received by a permit holder from pari-mutuel pull tab sales; minus

(2) the total of:

(A) all cash paid out to patrons as winnings for pari-mutuel pull tabs; and

(B) uncollectible pari-mutuel pull tab receivables, not to exceed the lesser of:

(i) a reasonable provision for uncollectible patron checks received from pari-mutuel pull tab sales; or

(ii) two percent (2%) of the total of all sums, including checks, whether collected or not, less the amount paid out to patrons as winnings for pari-mutuel pull tabs.

For purposes of this section, a counter or personal check that is invalid or unenforceable under this article is considered cash received by the permit holder from pari-mutuel pull tab sales.

Sec. 3. As used in this chapter, "county resident student" means a student enrolled in a school corporation who resides in a county having a population of more than one hundred thirty thousand (130,000) but less than one hundred forty-five thousand (145,000).

Sec. 4. As used in this chapter, "net receipts" means a permit holder's adjusted gross receipts minus any taxes paid under section 6 of this chapter.

Sec. 5. As used in this chapter, "school corporation" has the meaning set forth in IC 36-1-2-17.

Sec. 6. (a) A tax is imposed on the adjusted gross receipts received from the sale of pari-mutuel pull tabs authorized under this article at the rate of:

(1) thirty-two and five-tenths percent (32.5%) of the first one hundred fifty million dollars (\$150,000,000) of the adjusted gross receipts received during the period beginning July 1 of each year and ending June 30 of the following year; and

(2) thirty-seven and five-tenths percent (37.5%) of the adjusted gross receipts exceeding one hundred fifty million dollars (\$150,000,000) received during the period beginning July 1 of each year and ending June 30 of the following year.

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1 For purposes of calculating the amount of taxes imposed under this  
 2 section each day, a permit holder shall combine the permit holder's  
 3 adjusted gross receipts received from the sale of pari-mutuel pull  
 4 tabs at the permit holder's racetrack and the permit holder's  
 5 satellite facilities.

6 (b) The permit holder shall remit the tax imposed by this section  
 7 to the department before the close of the business day following the  
 8 day the pari-mutuel pull tabs are sold.

9 (c) The department may require payment under this section to  
 10 be made by electronic funds transfer (as defined in IC 4-8.1-2-7(f)).

11 (d) If the department requires taxes to be remitted under this  
 12 chapter through electronic funds transfer, the department may  
 13 allow the permit holder to file a monthly report to reconcile the  
 14 amounts remitted to the department.

15 (e) The department may allow taxes remitted under this section  
 16 to be reported on the same form used for taxes paid under  
 17 IC 4-31-9.

18 Sec. 7. (a) The state pull tab wagering fund is established.  
 19 Money in the fund does not revert to the state general fund at the  
 20 end of a state fiscal year.

21 (b) The department shall deposit tax revenue collected under  
 22 section 6 of this chapter in the state pull tab wagering fund.

23 (c) Each month, the treasurer of state shall distribute the tax  
 24 revenue deposited in the state pull tab wagering fund under this  
 25 section as follows:

26 (1) Thirty percent (30%) of the tax revenue remitted by each  
 27 permit holder shall be paid as follows:

28 (A) In the case of a racetrack that is located in a county  
 29 having a population of more than one hundred thirty  
 30 thousand (130,000) but less than one hundred forty-five  
 31 thousand (145,000), the amount determined under  
 32 subsection (d) shall be paid as follows:

33 (i) Fifty-eight percent (58%) to a city having a  
 34 population of more than fifty-nine thousand seven  
 35 hundred (59,700) but less than sixty-five thousand  
 36 (65,000).

37 (ii) Seventeen percent (17%) to the capital projects fund  
 38 of the county for distribution by the county legislative  
 39 body.

40 (iii) Seventeen percent (17%) to the school corporations  
 41 located in the county. The tax revenue distributed under  
 42 this item must be divided among the school corporations

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on a pro rata basis according to the ratio the number of county resident students enrolled in each school corporation bears to the total number of county resident students enrolled in the school corporations located in the county. Revenue received by a school corporation under this item is considered miscellaneous revenue.

(iv) Eight percent (8%) to the incorporated cities and towns located in the county other than a city described in item (i). The tax revenue distributed under this item must be divided among the cities and towns on a pro rata basis according to the ratio the population of each city or town bears to the total population of the county minus the population of a city described in item (i).

(B) In the case of a racetrack that is located in a county having a population of more than forty-three thousand (43,000) but less than forty-five thousand (45,000), the amount determined under subsection (e) shall be paid to the county. However, if a city having a population of more than seventeen thousand nine hundred (17,900) but less than eighteen thousand one hundred (18,100) that is located in the county annexes the territory in which the racetrack is located, the amount determined under subsection (e) shall be paid in equal amounts to:

- (i) the county; and
- (ii) the annexing city.

(C) In the case of the satellite facilities located in a county containing a consolidated city, the amount determined under subsection (f) shall be paid as follows:

- (i) Forty-one and seven-tenths percent (41.7%) to the consolidated city.
- (ii) Twenty and eight-tenths percent (20.8%) to the housing trust fund established under IC 36-7-15.1-35.5(e).
- (iii) Twelve and five-tenths percent (12.5%) to the county.
- (iv) Twenty-five percent (25%) to the school corporations located in the county containing a consolidated city. The tax revenue distributed under this item must be divided among the school corporations on a pro rata basis according to each school corporation's ADM (as defined in IC 21-3-1.6-1.1).

(2) After the distributions required under subdivision (1) are



made, the next twenty-seven million dollars (\$27,000,000) of tax revenue shall be paid to the commission to be distributed as follows:

(A) Three percent (3%) is to be distributed in equal amounts for the support and operation of the following horsemen's associations (as defined in IC 4-31-8-6):

(i) The horsemen's associations representing the standardbred owners and trainers.

(ii) The horsemen's associations representing the thoroughbred owners and trainers.

(iii) The horsemen's associations representing the quarterhorse owners and trainers.

(B) The remainder is to be distributed, in amounts determined by the commission, for the promotion and operation of horse racing, as follows:

(i) To a breed development fund established by the commission under IC 4-31-11-10.

(ii) To each racetrack that has been approved by the commission under this article. The commission may make a grant under this item only for purses, promotions, and routine operations.

(iii) To county fairs, 4-H fairs, a fair located in a town having a population of more than one thousand one hundred (1,100) located in a county having a population of more than thirty-six thousand seventy-five (36,075) but less than thirty-seven thousand (37,000), and a trotting association located in a county having a population of more than twenty-one thousand eight hundred (21,800) but less than twenty-two thousand one hundred (22,100). Distributions made under this item shall be used for the maintenance and operation of horse racing facilities.

(3) After the distributions required under subdivisions (1) and (2) are made, the remainder of tax revenue remitted by each permit holder shall be paid to the state general fund.

(d) This subsection applies to tax revenues received from a racetrack located in a county having a population of more than one hundred thirty thousand (130,000) but less than one hundred forty-five thousand (145,000). The amount of tax revenues to be distributed under subsection (c)(1)(A) is determined under STEP FIVE of the following formula:

STEP ONE: Determine the total amount of tax revenue



remitted by the permit holder in the preceding month.

**STEP TWO:** Determine the amount of tax revenue remitted by the permit holder in the preceding month attributable to adjusted gross receipts received from the racetrack.

**STEP THREE:** Determine the ratio of the STEP TWO amount to the STEP ONE amount.

**STEP FOUR:** Multiply the STEP ONE amount by thirty percent (30%).

**STEP FIVE:** Multiply the STEP FOUR result by the ratio determined under STEP THREE.

(e) This subsection applies to tax revenues received from a racetrack located in a county having a population of more than forty-three thousand (43,000) but less than forty-five thousand (45,000). The amount of tax revenues to be distributed under subsection (c)(1)(B) is determined under STEP FIVE of the following formula:

**STEP ONE:** Determine the total amount of tax revenue remitted by the permit holder in the preceding month.

**STEP TWO:** Determine the amount of tax revenue remitted by the permit holder in the preceding month attributable to adjusted gross receipts received from the racetrack.

**STEP THREE:** Determine the ratio of the STEP TWO amount to the STEP ONE amount.

**STEP FOUR:** Multiply the STEP ONE amount by thirty percent (30%).

**STEP FIVE:** Multiply the STEP FOUR result by the ratio determined under STEP THREE.

(f) This subsection applies to tax revenues received from both satellite facilities located in a county containing a consolidated city. The amount of the tax revenues distributed under subsection (c)(1)(C) is determined under STEP SIX of the following formula:

**STEP ONE:** Determine the sum of the subsection (d) STEP ONE amount and the subsection (e) STEP ONE amount.

**STEP TWO:** Determine the sum of the subsection (d) STEP TWO amount and the subsection (e) STEP TWO amount.

**STEP THREE:** Determine the remainder of the sum determined under STEP ONE minus the sum determined under STEP TWO.

**STEP FOUR:** Determine the ratio of the amount determined under STEP THREE to the sum determined under STEP ONE.

**STEP FIVE:** Multiply the sum determined under STEP ONE

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by thirty percent (30%).

**STEP SIX: Multiply the STEP FIVE result by the ratio determined under STEP FOUR.**

**Sec. 8. (a) Beginning January 1 following the second anniversary of the date that the sale of pari-mutuel pull tab tickets begins at a location described in this chapter and every year thereafter, the permit holder shall pay the percentage of the permit holder's net receipts set forth in subsection (b) to the commission for purse money and breed development.**

**(b) Beginning January 1 of the following years of operation, the purse money and breed development fee is equal to the following percentages of the permit holder's net receipts:**

<b>Year 3</b>	<b>2%</b>
<b>Year 4</b>	<b>2%</b>
<b>Year 5</b>	<b>5%</b>
<b>Year 6</b>	<b>7%</b>
<b>Year 7</b>	<b>8%</b>
<b>Year 8</b>	<b>9%</b>
<b>Year 9</b>	<b>10%</b>
<b>Year 10 and each year thereafter</b>	<b>12%</b>

**(c) The commission shall allocate money received under this section to purses and breed development.**

**Sec. 9. (a) The commission shall annually impose a supplemental fee of two hundred fifty thousand dollars (\$250,000) upon each permit holder operating a racetrack under this article.**

**(b) Fifty percent (50%) of the annual fees collected under this section must be used for training facilities and capital improvements, including stall improvements.**

**(c) Fifty percent (50%) of the annual fees collected under this section must be used to promote live racing at county and 4-H fairgrounds.**

**SECTION 17. IC 4-31-9-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. A person that holds a permit to conduct a horse racing meeting or a license to operate a satellite facility shall withhold:**

**(1) eighteen percent (18%) of the total of money wagered on each day at the racetrack or satellite facility (including money wagered on exotic wagering pools but excluding money wagered on pari-mutuel pull tabs under IC 4-31-7.5); plus**

**(2) an additional three and one-half percent (3.5%) of the total of all money wagered on exotic wagering pools on each day at the**



racetrack or satellite facility.

SECTION 18. IC 4-32-15-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. An excise tax is imposed on the distribution of pull tabs (**excluding pari-mutuel pull tabs under IC 4-31-7.5**), punchboards, and tip boards in the amount of ten percent (10%) of the wholesale price for the pull tabs, punchboards, and tip boards.

SECTION 19. IC 4-33-2-16.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 16.3. "Pari-mutuel pull tab" has the meaning set forth in IC 4-31-2-11.5.**

SECTION 20. IC 4-33-4-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. The commission shall adopt rules under IC 4-22-2 for the following purposes:

- (1) Administering this article.
- (2) Establishing the conditions under which riverboat gambling in Indiana may be conducted.
- (3) Providing for the prevention of practices detrimental to the public interest and providing for the best interests of riverboat gambling.
- (4) With respect to riverboats that operate on Patoka Lake, ensuring:
  - (A) the prevention of practices detrimental to the natural environment and scenic beauty of Patoka Lake; and
  - (B) compliance by licensees and riverboat patrons with the requirements of IC 14-26-2-5 and IC 14-28-1.
- (5) Establishing rules concerning inspection of riverboats and the review of the permits or licenses necessary to operate a riverboat.
- (6) Imposing penalties for noncriminal violations of this article.
- (7) Establishing the conditions under which the sale, purchase, and redemption of pari-mutuel pull tabs may be conducted under IC 4-31-7.5.**

SECTION 21. IC 4-33-7.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

**Chapter 7.5. Pari-Mutuel Pull Tab Suppliers**

**Sec. 1. The commission may issue a supplier's license under this chapter to a person if:**

- (1) the person has:**
  - (A) applied for the supplier's license;**
  - (B) paid a nonrefundable application fee set by the commission;**

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(C) paid a five thousand dollar (\$5,000) annual license fee;  
and

(D) submitted on forms provided by the commission:

(i) if the applicant is an individual, two (2) sets of the  
individual's fingerprints; and

(ii) if the applicant is not an individual, two (2) sets of  
fingerprints for each officer and director of the  
applicant; and

(2) the commission has determined that the applicant is  
eligible for a supplier's license.

Sec. 2. (a) A person holding a supplier's license may sell, lease,  
and contract to sell or lease pari-mutuel pull tab terminals and  
devices to a permit holder authorized to sell and redeem  
pari-mutuel pull tab tickets under IC 4-31-7.5.

(b) Pari-mutuel pull tab terminals and devices may not be  
distributed unless the terminals and devices conform to standards  
adopted by the commission.

Sec. 3. A person may not receive a supplier's license if:

(1) the person has been convicted of a felony under Indiana  
law, the laws of any other state, or laws of the United States;

(2) the person has knowingly or intentionally submitted an  
application for a license under this chapter that contains false  
information;

(3) the person is a member of the commission;

(4) the person is an officer, a director, or a managerial  
employee of a person described in subdivision (1) or (2);

(5) the person employs an individual who:

(A) is described in subdivision (1), (2), or (3); and

(B) participates in the management or operation of  
gambling operations authorized under this article;

(6) the person owns more than a ten percent (10%) ownership  
interest in any other person holding a permit issued under  
IC 4-31; or

(7) a license issued to the person:

(A) under this article; or

(B) to supply gaming supplies in another jurisdiction;  
has been revoked.

Sec. 4. A person may not furnish pari-mutuel pull tab terminals  
or devices to a permit holder unless the person possesses a  
supplier's license.

Sec. 5. (a) A supplier shall furnish to the commission a list of all  
pari-mutuel pull tab terminals and devices offered for sale or lease

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1 in connection with the sale of pari-mutuel pull tab tickets  
2 authorized under IC 4-31-7.5.

3 (b) A supplier shall keep books and records for the furnishing  
4 of pari-mutuel pull tab terminals and devices to permit holders  
5 separate from books and records of any other business operated by  
6 the supplier.

7 (c) A supplier shall file a quarterly return with the commission  
8 listing all sales and leases.

9 (d) A supplier shall permanently affix the supplier's name to all  
10 the supplier's pari-mutuel pull tab terminals or devices provided  
11 to permit holders under this chapter.

12 Sec. 6. A supplier's pari-mutuel pull tab terminals or devices  
13 that are used by a person in an unauthorized gambling operation  
14 shall be forfeited to the state.

15 Sec. 7. Pari-mutuel pull tab terminals and devices that are  
16 provided by a supplier may be:

17 (1) repaired on the premises of a racetrack or satellite facility;  
18 or

19 (2) removed for repair from the premises of a permit holder  
20 to a facility owned by the permit holder.

21 Sec. 8. (a) Unless a supplier's license is suspended, expires, or is  
22 revoked, the supplier's license may be renewed annually upon:

23 (1) the payment of a five thousand dollar (\$5,000) annual  
24 renewal fee; and

25 (2) a determination by the commission that the licensee is in  
26 compliance with this article.

27 (b) The holder of a supplier's license shall undergo a complete  
28 investigation every three (3) years to determine that the licensee is  
29 in compliance with this article.

30 (c) Notwithstanding subsection (b), the commission may  
31 investigate the holder of a supplier's license at any time the  
32 commission determines it is necessary to ensure that the licensee is  
33 in compliance with this article.

34 (d) The holder of a supplier's license shall bear the cost of an  
35 investigation or reinvestigation of the licensee and any  
36 investigation resulting from a potential transfer of ownership.

37 SECTION 22. IC 4-33-10-1, AS AMENDED BY P.L.192-2002(ss),  
38 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
39 JULY 1, 2003]: Sec. 1. (a) A person who knowingly or intentionally:

40 (1) makes a false statement on an application submitted under this  
41 article;

42 (2) operates a gambling operation or a cruise in which wagering

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is conducted or is to be conducted in a manner other than the manner required under this article;

(3) permits a person less than twenty-one (21) years of age to make a wager;

(4) aids, induces, or causes a person less than twenty-one (21) years of age who is not an employee of the riverboat gambling operation to enter or attempt to enter a riverboat;

(5) wagers or accepts a wager at a location other than a riverboat;  
or

(6) makes a false statement on an application submitted to the commission under this article **or IC 4-31-7.5; or**

**(7) aids, induces, or causes a person less than twenty-one (21) years of age who is not an employee of a pari-mutuel pull tab operation licensed under IC 4-31-7.5 to enter or attempt to enter the pari-mutuel pull tab operation;**

commits a Class A misdemeanor.

(b) A person who:

(1) is not an employee of the riverboat gambling operation;

(2) is less than twenty-one (21) years of age; and

(3) knowingly or intentionally enters or attempts to enter a riverboat;

commits a Class A misdemeanor.

**(c) A person who:**

**(1) is not an employee of a pari-mutuel pull tab operation licensed under IC 4-31;**

**(2) is less than twenty-one (21) years of age; and**

**(3) knowingly or intentionally enters the pari-mutuel pull tab operation;**

**commits a Class A misdemeanor.**

SECTION 23. IC 4-33-12-6, AS AMENDED BY P.L.192-2002(ss), SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. (a) The department shall place in the state general fund the tax revenue collected under this chapter.

(b) Except as provided by subsections (c) and (d) and IC 6-3.1-20-7, the treasurer of state shall quarterly pay the following amounts:

(1) Except as provided in subsection (k), one dollar (\$1) of the admissions tax collected by the licensed owner for each person embarking on a gambling excursion during the quarter or admitted to a riverboat that has implemented flexible scheduling under IC 4-33-6-21 during the quarter shall be paid to:

(A) the city in which the riverboat is docked, if the city:

(i) is located in a county having a population of more than



- 1           one hundred ten thousand (110,000) but less than one  
 2           hundred fifteen thousand (115,000); or  
 3           (ii) is contiguous to the Ohio River and is the largest city in  
 4           the county; and  
 5           (B) the county in which the riverboat is docked, if the  
 6           riverboat is not docked in a city described in clause (A).  
 7       (2) Except as provided in subsection (k), one dollar (\$1) of the  
 8       admissions tax collected by the licensed owner for each person:  
 9           (A) embarking on a gambling excursion during the quarter; or  
 10           (B) admitted to a riverboat during the quarter that has  
 11           implemented flexible scheduling under IC 4-33-6-21;  
 12       shall be paid to the county in which the riverboat is docked. In the  
 13       case of a county described in subdivision (1)(B), this one dollar  
 14       (\$1) is in addition to the one dollar (\$1) received under  
 15       subdivision (1)(B).  
 16       (3) Except as provided in subsection (k), ten cents (\$0.10) of the  
 17       admissions tax collected by the licensed owner for each person:  
 18           (A) embarking on a gambling excursion during the quarter; or  
 19           (B) admitted to a riverboat during the quarter that has  
 20           implemented flexible scheduling under IC 4-33-6-21;  
 21       shall be paid to the county convention and visitors bureau or  
 22       promotion fund for the county in which the riverboat is docked.  
 23       (4) Except as provided in subsection (k), fifteen cents (\$0.15) of  
 24       the admissions tax collected by the licensed owner for each  
 25       person:  
 26           (A) embarking on a gambling excursion during the quarter; or  
 27           (B) admitted to a riverboat during a quarter that has  
 28           implemented flexible scheduling under IC 4-33-6-21;  
 29       shall be paid to the state fair commission, for use in any activity  
 30       that the commission is authorized to carry out under IC 15-1.5-3.  
 31       (5) Except as provided in subsection (k), ten cents (\$0.10) of the  
 32       admissions tax collected by the licensed owner for each person:  
 33           (A) embarking on a gambling excursion during the quarter; or  
 34           (B) admitted to a riverboat during the quarter that has  
 35           implemented flexible scheduling under IC 4-33-6-21;  
 36       shall be paid to the division of mental health and addiction. The  
 37       division shall allocate at least twenty-five percent (25%) of the  
 38       funds derived from the admissions tax to the prevention and  
 39       treatment of compulsive gambling.  
 40       (6) Except as provided in ~~subsection~~ **subsections (k) and (l)**,  
 41       sixty-five cents (\$0.65) of the admissions tax collected by the  
 42       licensed owner for each person embarking on a gambling

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1 excursion during the quarter or admitted to a riverboat during the  
 2 quarter that has implemented flexible scheduling under  
 3 IC 4-33-6-21 shall be paid to the Indiana horse racing commission  
 4 to be distributed as follows, in amounts determined by the Indiana  
 5 horse racing commission, for the promotion and operation of  
 6 horse racing in Indiana:

7 (A) To one (1) or more breed development funds established  
 8 by the Indiana horse racing commission under IC 4-31-11-10.

9 (B) To a racetrack that was approved by the Indiana horse  
 10 racing commission under IC 4-31. The commission may make  
 11 a grant under this clause only for purses, promotions, and  
 12 routine operations of the racetrack. No grants shall be made  
 13 for long term capital investment or construction and no grants  
 14 shall be made before the racetrack becomes operational and is  
 15 offering a racing schedule.

16 (c) With respect to tax revenue collected from a riverboat that  
 17 operates on Patoka Lake, the treasurer of state shall quarterly pay the  
 18 following amounts:

19 (1) The counties described in IC 4-33-1-1(3) shall receive one  
 20 dollar (\$1) of the admissions tax collected for each person:

21 (A) embarking on a gambling excursion during the quarter; or  
 22 (B) admitted to the riverboat during the quarter (if the  
 23 riverboat has implemented flexible scheduling).

24 This amount shall be divided equally among the counties  
 25 described in IC 4-33-1-1(3).

26 (2) The Patoka Lake development account established under  
 27 IC 4-33-15 shall receive one dollar (\$1) of the admissions tax  
 28 collected for each person:

29 (A) embarking on a gambling excursion during the quarter; or  
 30 (B) admitted to the riverboat during the quarter (if the  
 31 riverboat has implemented flexible scheduling).

32 (3) The resource conservation and development program that:

33 (A) is established under 16 U.S.C. 3451 et seq.; and  
 34 (B) serves the Patoka Lake area;

35 shall receive forty cents (\$0.40) of the admissions tax collected  
 36 for each person embarking on a gambling excursion during the  
 37 quarter or admitted to the riverboat during the quarter (if the  
 38 riverboat has implemented flexible scheduling).

39 (4) The state general fund shall receive fifty cents (\$0.50) of the  
 40 admissions tax collected for each person:

41 (A) embarking on a gambling excursion during the quarter; or  
 42 (B) admitted to the riverboat during the quarter (if the

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- 1 riverboat has implemented flexible scheduling).
- 2 (5) The division of mental health and addiction shall receive ten
- 3 cents (\$0.10) of the admissions tax collected for each person:
- 4 (A) embarking on a gambling excursion during the quarter; or
- 5 (B) admitted to the riverboat during the quarter (if the
- 6 riverboat has implemented flexible scheduling).
- 7 The division shall allocate at least twenty-five percent (25%) of
- 8 the funds derived from the admissions tax to the prevention and
- 9 treatment of compulsive gambling.
- 10 (d) With respect to tax revenue collected from a riverboat that
- 11 operates from a county having a population of more than four hundred
- 12 thousand (400,000) but less than seven hundred thousand (700,000),
- 13 the treasurer of state shall quarterly pay the following amounts:
- 14 (1) Except as provided in subsection (k), one dollar (\$1) of the
- 15 admissions tax collected by the licensed owner for each person:
- 16 (A) embarking on a gambling excursion during the quarter; or
- 17 (B) admitted to a riverboat during the quarter that has
- 18 implemented flexible scheduling under IC 4-33-6-21;
- 19 shall be paid to the city in which the riverboat is docked.
- 20 (2) Except as provided in subsection (k), one dollar (\$1) of the
- 21 admissions tax collected by the licensed owner for each person:
- 22 (A) embarking on a gambling excursion during the quarter; or
- 23 (B) admitted to a riverboat during the quarter that has
- 24 implemented flexible scheduling under IC 4-33-6-21;
- 25 shall be paid to the county in which the riverboat is docked.
- 26 (3) Except as provided in subsection (k), nine cents (\$0.09) of the
- 27 admissions tax collected by the licensed owner for each person:
- 28 (A) embarking on a gambling excursion during the quarter; or
- 29 (B) admitted to a riverboat during the quarter that has
- 30 implemented flexible scheduling under IC 4-33-6-21;
- 31 shall be paid to the county convention and visitors bureau or
- 32 promotion fund for the county in which the riverboat is docked.
- 33 (4) Except as provided in subsection (k), one cent (\$0.01) of the
- 34 admissions tax collected by the licensed owner for each person:
- 35 (A) embarking on a gambling excursion during the quarter; or
- 36 (B) admitted to a riverboat during the quarter that has
- 37 implemented flexible scheduling under IC 4-33-6-21;
- 38 shall be paid to the northwest Indiana law enforcement training
- 39 center.
- 40 (5) Except as provided in subsection (k), fifteen cents (\$0.15) of
- 41 the admissions tax collected by the licensed owner for each
- 42 person:

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- 1 (A) embarking on a gambling excursion during the quarter; or  
 2 (B) admitted to a riverboat during a quarter that has  
 3 implemented flexible scheduling under IC 4-33-6-21;  
 4 shall be paid to the state fair commission for use in any activity  
 5 that the commission is authorized to carry out under IC 15-1.5-3.  
 6 (6) Except as provided in subsection (k), ten cents (\$0.10) of the  
 7 admissions tax collected by the licensed owner for each person:  
 8 (A) embarking on gambling excursion during the quarter; or  
 9 (B) admitted to a riverboat during the quarter that has  
 10 implemented flexible scheduling under IC 4-33-6-21;  
 11 shall be paid to the division of mental health and addiction. The  
 12 division shall allocate at least twenty-five percent (25%) of the  
 13 funds derived from the admissions tax to the prevention and  
 14 treatment of compulsive gambling.  
 15 (7) Except as provided in ~~subsection~~ **subsections (k) and (l)**,  
 16 sixty-five cents (\$0.65) of the admissions tax collected by the  
 17 licensed owner for each person embarking on a gambling  
 18 excursion during the quarter or admitted to a riverboat during the  
 19 quarter that has implemented flexible scheduling under  
 20 IC 4-33-6-21 shall be paid to the Indiana horse racing commission  
 21 to be distributed as follows, in amounts determined by the Indiana  
 22 horse racing commission, for the promotion and operation of  
 23 horse racing in Indiana:  
 24 (A) To one (1) or more breed development funds established by  
 25 the Indiana horse racing commission under IC 4-31-11-10.  
 26 (B) To a racetrack that was approved by the Indiana horse  
 27 racing commission under IC 4-31. The commission may make  
 28 a grant under this clause only for purses, promotions, and  
 29 routine operations of the racetrack. No grants shall be made  
 30 for long term capital investment or construction, and no grants  
 31 shall be made before the racetrack becomes operational and is  
 32 offering a racing schedule.  
 33 (e) Money paid to a unit of local government under subsection  
 34 (b)(1) through (b)(2), (c)(1), or (d)(1) through (d)(2):  
 35 (1) must be paid to the fiscal officer of the unit and may be  
 36 deposited in the unit's general fund or riverboat fund established  
 37 under IC 36-1-8-9, or both;  
 38 (2) may not be used to reduce the unit's maximum levy under  
 39 IC 6-1.1-18.5, but may be used at the discretion of the unit to  
 40 reduce the property tax levy of the unit for a particular year;  
 41 (3) may be used for any legal or corporate purpose of the unit,  
 42 including the pledge of money to bonds, leases, or other

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obligations under IC 5-1-14-4; and

(4) is considered miscellaneous revenue.

(f) Money paid by the treasurer of state under subsection (b)(3) or (d)(3) shall be:

(1) deposited in:

(A) the county convention and visitor promotion fund; or

(B) the county's general fund if the county does not have a convention and visitor promotion fund; and

(2) used only for the tourism promotion, advertising, and economic development activities of the county and community.

(g) Money received by the division of mental health and addiction under subsections (b)(5), (c)(5), and (d)(6):

(1) is annually appropriated to the division of mental health and addiction;

(2) shall be distributed to the division of mental health and addiction at times during each state fiscal year determined by the budget agency; and

(3) shall be used by the division of mental health and addiction for programs and facilities for the prevention and treatment of addictions to drugs, alcohol, and compulsive gambling, including the creation and maintenance of a toll free telephone line to provide the public with information about these addictions. The division shall allocate at least twenty-five percent (25%) of the money received to the prevention and treatment of compulsive gambling.

(h) This subsection applies to the following:

(1) Each entity receiving money under subsection (b).

(2) Each entity receiving money under subsection (d)(1) through (d)(2).

(3) Each entity receiving money under subsection (d)(5) through (d)(7).

The treasurer of state shall determine the total amount of money paid by the treasurer of state to an entity subject to this subsection during the state fiscal year 2002. The amount determined under this subsection is the base year revenue for each entity subject to this subsection. The treasurer of state shall certify the base year revenue determined under this subsection to each entity subject to this subsection.

(i) This subsection applies to an entity receiving money under subsection (d)(3) or (d)(4). The treasurer of state shall determine the total amount of money paid by the treasurer of state to the entity described in subsection (d)(3) during state fiscal year 2002. The amount determined under this subsection multiplied by nine-tenths

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(0.9) is the base year revenue for the entity described in subsection (d)(3). The amount determined under this subsection multiplied by one-tenth (0.1) is the base year revenue for the entity described in subsection (d)(4). The treasurer of state shall certify the base year revenue determined under this subsection to each entity subject to this subsection.

(j) For state fiscal years beginning after June 30, 2002, the total amount of money distributed to an entity under this section during a state fiscal year may not exceed the entity's base year revenue as determined under subsection (h) or (i). If the treasurer of state determines that the total amount of money distributed to an entity under this section during a state fiscal year is less than the entity's base year revenue, the treasurer of state shall make a supplemental distribution to the entity under IC 4-33-13-5(f).

(k) For state fiscal years beginning after June 30, 2002, the treasurer of state shall pay that part of the riverboat admissions taxes that:

- (1) exceed a particular entity's base year revenue; and
- (2) would otherwise be due to the entity under this section;

to the property tax replacement fund instead of to the entity.

**(l) The maximum amount paid to the Indiana horse racing commission under this section in a state fiscal year may not exceed the remainder of:**

**(1) the Indiana horse racing commission's base year revenue as determined under subsection (h); minus**

**(2) the amount of pull tab wagering tax revenues, if any, paid to the Indiana horse racing commission under IC 4-31-7.6-7.**

**The treasurer of state shall pay the amount of the admissions taxes equal to the amount of pull tab wagering tax revenues subtracted from the Indiana horse racing commission's base year revenue under this subsection to the state general fund instead of to the Indiana horse racing commission.**

SECTION 24. IC 4-33-14-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. The general assembly declares that the opportunity for full minority and women's business enterprise participation in the riverboat ~~industry~~ and **pari-mutuel pull tab industries** is essential if social and economic parity is to be obtained by minority and women business persons and if the economies of the riverboat ~~cities~~ and **pari-mutuel pull tab communities** are to be stimulated as contemplated by this article and IC 4-31-7.5. **In complying with this chapter, a licensed owner or permit holder should give priority to minority and women's business enterprises in the following order:**



(1) **Local enterprises.**

(2) **Enterprises located in Indiana and the region surrounding the licensee's riverboat or pull tab facility.**

(3) **Indiana enterprises.**

(4) **National enterprises.**

SECTION 25. IC 4-33-14-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 1.5. This chapter applies to:**

(1) **a licensed owner of a riverboat licensed under this article; and**

(2) **a permit holder licensed to sell pari-mutuel pull tabs under IC 4-31-7.5.**

SECTION 26. IC 4-33-14-5, AS AMENDED BY P.L.195-2001, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 5. (a) As used in this section, "goods and services" does not include the following:**

(1) Utilities and taxes.

(2) Financing costs, mortgages, loans, or other debt.

(3) Medical insurance.

(4) Fees and payments to a parent or an affiliated company of the person holding an owner's license **or a pari-mutuel pull tab license**, other than fees and payments for goods and services supplied by nonaffiliated persons through an affiliated company for the use or benefit of the person holding the owner's license **or a pari-mutuel pull tab license.**

(5) Rents paid for real property or payments constituting the price of an interest in real property as a result of a real estate transaction.

(b) Notwithstanding any law or rule to the contrary, the commission shall establish annual goals for a person issued an owner's license **or a pari-mutuel pull tab license:**

(1) for the use of minority and women's business enterprises; and

(2) derived from a statistical analysis of utilization study of licensee contracts for goods and services that are required to be updated every five (5) years.

A person holding an owner's license **or a pari-mutuel pull tab license** shall submit annually to the commission a report that includes the total dollar value of contracts awarded for goods or services and the percentage awarded to minority and women's business enterprises.

(c) A person holding an owner's license **or a pari-mutuel pull tab license** shall make a good faith effort to meet the requirements of this section and shall annually demonstrate to the commission that an effort



1 was made to meet the requirements.

2 (d) A person holding an owner's license **or a pari-mutuel pull tab**  
 3 **license** may fulfill not more than seventy percent (70%) of an  
 4 obligation under this chapter by requiring a vendor to set aside a part  
 5 of a contract for minority or women's business enterprises. Upon  
 6 request, the licensee shall provide the commission with proof of the  
 7 amount of the set aside.

8 SECTION 27. IC 4-33-14-6 IS AMENDED TO READ AS  
 9 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. If the commission  
 10 determines that the provisions of this chapter relating to expenditures  
 11 and assignments to minority and women's business enterprises have not  
 12 been met by a licensee, the commission may suspend, limit, or revoke  
 13 the owner's license ~~or fine~~ **or the permit holder's pari-mutuel pull**  
 14 **tab license**, or impose a **civil penalty** or appropriate conditions on the  
 15 licensee to ensure that the goals for expenditures and assignments to  
 16 minority and women's business enterprises are met. However, if a  
 17 determination is made that a person holding an owner's license **or a**  
 18 **pari-mutuel pull tab license** has failed to demonstrate compliance  
 19 with this chapter, the person has ninety (90) days from the date of the  
 20 determination of noncompliance to comply.

21 SECTION 28. IC 4-33-14-7 IS AMENDED TO READ AS  
 22 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 7. The commission  
 23 shall establish and administer a unified certification procedure for  
 24 minority and women's business enterprises that do business with  
 25 riverboat operations **and pari-mutuel pull tab operations** on contracts  
 26 for goods and services or contracts for business.

27 SECTION 29. IC 4-33-14-8 IS AMENDED TO READ AS  
 28 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 8. The commission  
 29 shall supply persons holding owner's licenses **or pari-mutuel pull tab**  
 30 **licenses** with a list of the minority and women's business enterprises  
 31 the commission has certified under section 7 of this chapter. The  
 32 commission shall review the list annually to determine the minority and  
 33 women's business enterprises that should continue to be certified. The  
 34 commission shall establish a procedure for challenging the designation  
 35 of a certified minority and women's business enterprise. The procedure  
 36 must include proper notice and a hearing for all parties concerned.

37 SECTION 30. IC 4-33-14-9 IS AMENDED TO READ AS  
 38 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 9. (a) This section  
 39 applies to **the following**:

40 (1) A person holding an owner's ~~licenses~~ **license** for riverboats  
 41 operated from a city described under IC 4-33-6-1(a)(1) through  
 42 IC 4-33-6-1(a)(3).

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**(2) A person holding a license to sell pari-mutuel pull tabs under IC 4-31-7.5.**

(b) The commission shall require persons holding owner's licenses to adopt policies concerning the preferential hiring of residents of the city in which the riverboat docks for riverboat jobs.

**(c) The commission shall require a person holding a pari-mutuel pull tab license to adopt policies concerning the preferential hiring of residents of the city or county in which the person has a pari-mutuel pull tab operation.**

SECTION 31. IC 4-33-14-11 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 11. The commission shall deposit civil penalties imposed under section 6 of this chapter in the minority and women business participation fund established by section 12 of this chapter.**

SECTION 32. IC 4-33-14-12 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 12. (a) The minority and women business participation fund is established to assist minority and women business enterprises. The fund shall be administered by the commission. The fund consists of fees collected under section 13 of this chapter and civil penalties imposed under section 6 of this chapter.**

**(b) The Indiana department of administration may use fees collected under section 13 of this chapter to hire employees to administer this chapter. The commission may use other money in the fund for the purposes of this chapter.**

**(c) The expenses of administering the fund shall be paid from money in the fund.**

**(d) The treasurer of state shall invest money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Interest that accrues from those investments shall be deposited in the fund.**

**(e) Money in the fund at the end of a state fiscal year does not revert to the state general fund.**

SECTION 33. IC 4-33-14-13 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 13. The commission shall charge an annual fee of ten thousand dollars (\$10,000) upon the following:**

**(1) Each licensed owner of a riverboat licensed under this article.**

**(2) Each racetrack offering pari-mutuel pull tabs under**

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1 **IC 4-31-7.5.**

2 **(3) Each satellite facility offering pari-mutuel pull tabs under**  
 3 **IC 4-31-7.5.**

4 **The fees collected under this section must be deposited into the**  
 5 **minority and women business participation fund.**

6 SECTION 34. IC 6-3-4-8.2, AS AMENDED BY P.L.192-2002(ss),  
 7 SECTION 82, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 8 JULY 1, 2003]: Sec. 8.2. (a) Each person in Indiana who is required  
 9 under the Internal Revenue Code to withhold federal tax from winnings  
 10 shall deduct and retain adjusted gross income tax at the time and in the  
 11 amount described in withholding instructions issued by the department.

12 (b) In addition to amounts withheld under subsection (a), every  
 13 person engaged in a gambling operation (as defined in IC 4-33-2-10)  
 14 and making a payment in the course of the gambling operation (as  
 15 defined in IC 4-33-2-10) of:

- 16 (1) winnings (not reduced by the wager) valued at one thousand  
 17 two hundred dollars (\$1,200) or more from slot machine play; or  
 18 (2) winnings (reduced by the wager) valued at one thousand five  
 19 hundred dollars (\$1,500) or more from a keno game;

20 shall deduct and retain adjusted gross income tax at the time and in the  
 21 amount described in withholding instructions issued by the department.  
 22 The department's instructions must provide that amounts withheld shall  
 23 be paid to the department before the close of the business day following  
 24 the day the winnings are paid, actually or constructively. Slot machine  
 25 and keno winnings from a gambling operation (as defined in  
 26 IC 4-33-2-10) that are reportable for federal income tax purposes shall  
 27 be treated as subject to withholding under this section, even if federal  
 28 tax withholding is not required.

29 (c) The adjusted gross income tax due on prize money or prizes:

- 30 (1) received from a winning lottery ticket purchased under  
 31 IC 4-30; and  
 32 (2) exceeding one thousand two hundred dollars (\$1,200) in  
 33 value;

34 shall be deducted and retained at the time and in the amount described  
 35 in withholding instructions issued by the department, even if federal  
 36 withholding is not required.

37 **(d) In addition to the amounts withheld under subsection (a),**  
 38 **each person engaged in a pari-mutuel pull tab operation under**  
 39 **IC 4-31-7.5 making a payment in the course of the pull tab**  
 40 **operation of pull tab winnings valued at one thousand two hundred**  
 41 **dollars (\$1,200) or more shall deduct and retain adjusted gross**  
 42 **income tax at the time and in the amount described in withholding**

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1 instructions issued by the department. The department's  
 2 instructions must provide that amounts withheld shall be paid to  
 3 the department before the close of the business day following the  
 4 day the winnings are paid, actually or constructively. **Pari-mutuel**  
 5 **pull tab winnings are subject to withholding under this section even**  
 6 **if the winnings are not reportable or subject to withholding for**  
 7 **federal income tax purposes.**

8 SECTION 35. IC 6-8.1-1-1, AS AMENDED BY P.L.192-2002(ss),  
 9 SECTION 140, IS AMENDED TO READ AS FOLLOWS  
 10 [EFFECTIVE JULY 1, 2003]: Sec. 1. "Listed taxes" or "taxes" includes  
 11 only the **pari-mutuel pull tab wagering tax (IC 4-31-7.6);**  
 12 pari-mutuel taxes (IC 4-31-9-3 through IC 4-31-9-5); the riverboat  
 13 admissions tax (IC 4-33-12); the riverboat wagering tax (IC 4-33-13);  
 14 the gross income tax (IC 6-2.1) (repealed); the utility receipts tax  
 15 (IC 6-2.3); the state gross retail and use taxes (IC 6-2.5); the adjusted  
 16 gross income tax (IC 6-3); the supplemental net income tax (IC 6-3-8)  
 17 (repealed); the county adjusted gross income tax (IC 6-3.5-1.1); the  
 18 county option income tax (IC 6-3.5-6); the county economic  
 19 development income tax (IC 6-3.5-7); the municipal option income tax  
 20 (IC 6-3.5-8); the auto rental excise tax (IC 6-6-9); the financial  
 21 institutions tax (IC 6-5.5); the gasoline tax (IC 6-6-1.1); the alternative  
 22 fuel permit fee (IC 6-6-2.1); the special fuel tax (IC 6-6-2.5); the motor  
 23 carrier fuel tax (IC 6-6-4.1); a motor fuel tax collected under a  
 24 reciprocal agreement under IC 6-8.1-3; the motor vehicle excise tax  
 25 (IC 6-6-5); the commercial vehicle excise tax (IC 6-6-5.5); the  
 26 hazardous waste disposal tax (IC 6-6-6.6); the cigarette tax (IC 6-7-1);  
 27 the beer excise tax (IC 7.1-4-2); the liquor excise tax (IC 7.1-4-3); the  
 28 wine excise tax (IC 7.1-4-4); the hard cider excise tax (IC 7.1-4-4.5);  
 29 the malt excise tax (IC 7.1-4-5); the petroleum severance tax  
 30 (IC 6-8-1); the various innkeeper's taxes (IC 6-9); the various county  
 31 food and beverage taxes (IC 6-9); the county admissions tax (IC 6-9-13  
 32 and IC 6-9-28); the oil inspection fee (IC 16-44-2); the emergency and  
 33 hazardous chemical inventory form fee (IC 6-6-10); the penalties  
 34 assessed for oversize vehicles (IC 9-20-3 and IC 9-30); the fees and  
 35 penalties assessed for overweight vehicles (IC 9-20-4 and IC 9-30); the  
 36 underground storage tank fee (IC 13-23); the solid waste management  
 37 fee (IC 13-20-22); and any other tax or fee that the department is  
 38 required to collect or administer.

39 SECTION 36. IC 35-45-5-7 IS AMENDED TO READ AS  
 40 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 7. This chapter does not  
 41 apply to the publication or broadcast of an advertisement, a list of  
 42 prizes, or other information concerning:

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- 1 (1) pari-mutuel wagering on horse races or a lottery authorized by  
 2 the law of any state; ~~or~~  
 3 (2) a game of chance operated in accordance with IC 4-32; **or**  
 4 **(3) a pari-mutuel pull tab game operated in accordance with**  
 5 **IC 4-31-7.5.**

6 SECTION 37. IC 35-45-5-11 IS ADDED TO THE INDIANA  
 7 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 8 [EFFECTIVE JULY 1, 2003]: **Sec. 11. This chapter does not apply**  
 9 **to the sale of pari-mutuel pull tab tickets authorized by IC 4-31-7.5.**

10 SECTION 38. [EFFECTIVE JULY 1, 2003] (a) **The Indiana**  
 11 **gaming commission shall adopt the emergency rules required**  
 12 **under IC 4-31-7.5-3, as added by this act, before January 1, 2004.**

13 **(b) This SECTION expires January 31, 2004.**

14 SECTION 39. [EFFECTIVE JULY 1, 2003] (a) **If the Indiana**  
 15 **gaming commission determines that a permit holder has met the**  
 16 **requirements of this act, the Indiana gaming commission shall**  
 17 **adopt a resolution authorizing a permit holder to sell pari-mutuel**  
 18 **pull tabs under IC 4-31-7.5, as added by this act. The commission**  
 19 **may exercise any power necessary to implement this act under a**  
 20 **resolution authorized under this SECTION.**

21 **(b) This SECTION expires December 31, 2003.**

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